

MEETING MINUTES

CITY OF FREEPORT ECONOMIC DEVELOPMENT CORPORATION 200 West 2nd Street, Freeport, Texas 77541

SPECIAL TIRZ 1 BOARD MEETING MINUTES

STATE OF TEXAS)
)
COUNTY OF BRAZORIA)
)
CITY OF FREEPORT)

BE IT REMEMBERED that the Freeport Tax Increment Reinvestment Zone 1 board of the City of Freeport met on Tuesday, May 12, 2020 at 6:30 p.m. in the Freeport Police Department Municipal Court Room, located at 430 North Brazosport Boulevard, Freeport, TX, for the purpose of considering the agenda items.

MEMBERS OF THE BOARD PRESENT: Quorum Present

Trey Sullivan - Chairman
Lesa Girouard
Kenny Hayes
Mingo Marquez
Marinell Music
Jeff Pena
Ed Garcia

Tim Kelty: City Manager
Chris Duncan: Attorney
Stephanie Russell: Finance Director

Visitors in Attendance:

Melanie Oldham
Landis Adams
David Towers
James Travis

I. **CALL TO ORDER:**

Mr. Sullivan opened the special meeting at 6:32 P.M. A quorum was present. Trey Sullivan, Lesa Girouard, Mingo Marquez, Jeff Pena, Marinell Music, Kenny Hayes and Ed Garcia.

II. **DISCUSSION AND ACTION**

A. **GOVERNING STRUCTURE**

Mr. Duncan said according to the By-Laws that Mr. Holman gave him from other cities they all had the City Council appoints the chairperson of the committee which then the committee will select a vice chairperson and any officer they think is necessary. Mr. Duncan stated the action for tonight will be to approve the By-Laws will be done by everybody which then everyone will sign that they have been approved. Mr. Duncan said the TIRZ ordinance the City Council passed back in December they appointed all seven EDC board members as board members on the new TIRZ board with additional spots (eight, nine, ten and eleven) reserved for taxing entities if they choose to participate in the TIRZ and they will appoint a representative from their group to be on the board. Mr. Marquez asked Mr. Duncan if other tax entities decided to not appoint anyone will the number still be used for part of the quorum. Mr. Duncan replied to Mr. Marquez and said no, a quorum is established by a majority of the board members that have been appointed or that are in place. Mr. Duncan said at this point the board does not know what tax entities will be participating and if any. Mr. Duncan stated for example if later on down the road if there are four spots and only two appoint board members the By-Laws can be amended and reduced it down to nine spots. Mr. Duncan said the recommendation of Travis James is that the City Council establishes this in the City Ordinance when they first set up the TIRZ. Mr. Duncan stated if the By-Laws are approved tonight then they will go to the City Council which they will have to approve and then they will appoint a chairperson. Mr. Duncan said if the EDC board wants to amend the By-Laws in the future then Council will have to amend those By-Laws. Mr. Hayes asked Mr. Duncan on the By-Laws it shows the first Monday of every month at 4:00pm. Mr. Duncan replied to Mr. Hayes the board should decide to put in the By-Laws the day of the month and the time or decide if it should be the TIRZ will meet once a month or have it as in the TIRZ will only meet as needed and not be required to meet every month. Mr. Marquez said he would like to amend the section of the By-Laws that says the TIRZ will meet the first Monday of every month to the TIRZ will only meet as needed. Ms. Girouard said she emailed Mr. Duncan with a change she wanted in the By-Laws Section 6 Staff to change City Administrator to City Manager. Mr. Duncan said if the By-Laws are approved at this time and goes to City Council they may make changes also and can also change the TIRZ board and meetings with a vote at any time. Mr. Sullivan said the two

amendments that will be modified are to change the meeting date and time to meet only as needed and the second amendment being to change City Administrator to City Manager.

MOTION to recommend the current By-Laws to City Council was made by Mr. Hayes, **seconded** by Mr. Garcia. Motion **PASSED** unanimously.

B. SELECTION OF OFFICERS

Mr. Duncan said the City Council appoints the chairperson and should probably wait and see who will be the person they select for this position before any other positions are filled. Ms. Girouard said she read in the By-Laws the City Secretary will be the one to take the secretary position. Mr. Sullivan stated the City Council will recommend a chairperson and when it goes back to the EDC board then the vicechair position will be selected.

C. COMPLETING PROJECT AND FINANCE PLAN

Mr. James said at the end of last year the TIRZ was created by statute a preliminary project had to be created and finance plan. Mr. James stated that now that a board exists the plan should be finalized, the board will adopt it, then it will go to the City Council and they will have to adopt the plan. Mr. James said the preliminary plan that he developed assumed all the eligible taxing entities which will be everybody except the school district would join the TIRZ and participate at fifty percent like the City. Mr. James stated the few details need to get worked out to be able to present the final project and finance plan to the TIRZ board for approval. Mr. Holman asked Mr. James if more projects are going into the TIRZ itself would the finance plan have to be adjusted. Mr. James said yes, every year new information becomes available from the appraisal district the financials should be updated. Mr. Kelty said once a list of projects is provided and know what the revenues might be at least in the phases of the plan hopefully something can be put together to be able to present to the board to be able to review and discuss and make a recommendation on. Mr. Kelty stated they are trying to continue to bring the other taxing entities on board that will increase the revenue and the amount that will be worked with but until that happens a plan will be adopted without the other taxing entities and at the same time push forward and then it can be amended based on who will be able to join. Mr. Sullivan said no action should be taken because the board needs to see a list of projects.

D. STRATEGY TO GET OTHER TAXING ENTITIES TO JOIN TIRZ

Mr. Pena asked if the taxing entities that will join have been approached and if they have and if they declined he is curious what the strategy is to win them over. Mr. Pena said he imagines the TIRZ are stronger if the taxing entities join. Mr. Kelty said the port, college district and county have all been approached although from the county not from their voting board stand point. Mr. Kelty said he knows the Judge indicated a lack of interest in participating but nothing official. Ms. Girouard asked Mr. Kelty if he could explain what the benefit to the county would be to join the TIRZ. Mr. Kelty said the benefit to the county is basically the same benefit as it is to the City. Mr. Kelty stated the whole idea and concept behind the TIRZ is that there has been a lot of vision about what Downtown Freeport could be. Mr. Kelty said money has been spent on pictures and plans in the past but have not had any kind of mechanism in place to help transform that vision into reality. Mr. Kelty stated the benefit to the county is that if nothing is done then the status quo continues and they do not generate any tax revenue if they do participate it will generate additional tax increment and are only proposing to capture only fifty percent of the increment that is generated and typically it is asked for the other participating jurisdictions to participate at the same level but they do not have to. Mr. Kelty said if they participate and the development happens as a result of the participation they are getting more than fifty percent of nothing if nothing happens like it has for the past twenty years. Mr. James said to remind everybody they keep all the tax revenue they are currently collecting today and it is just sharing future growth is what any entity including the city would be contributing. Mr. James said it will be incremental tax revenue from the base year of 2019, the year of 2020 represents the first year of growth and that money gets paid in January 2021 when taxes are due.

III. ADJOURN

MOTION to adjourn was made by Mr. Pena, **seconded** by Ms. Girouard. Motion **PASSED** unanimously. Meeting adjourned at 6:58 p.m.